

## INFORMATION SESSIONS

The City of Flagstaff will have information sessions beginning in October 2014. The session schedule is as follows:

**October 8: 2PM to 3PM**

**October 22: 2PM to 3PM**

**November 14: 2PM to 3PM**

Space is limited to the first 25 signees. Please email [salestax@flagstaffaz.gov](mailto:salestax@flagstaffaz.gov) with your name and desired session. Staff will confirm your registration via email. The City will post additional sessions online if the number of signees exceed the available slots.

All information sessions will be held at Flagstaff City Hall located at 211 W. Aspen Ave.

## OTHER INFORMATION

For more information on use tax, please visit the City of Flagstaff Sales Tax Division webpage at [www.flagstaffaz.gov](http://www.flagstaffaz.gov), or visit the Arizona Department of Revenue webpage at [www.azdor.gov](http://www.azdor.gov).



*This pamphlet is for informational purposes only. It does not provide comprehensive explanations of City of Flagstaff tax laws, rules, or regulations. The City is not bound by the information contained in this pamphlet. Specific questions should be addressed to the City of Flagstaff Sales Tax Division in writing and an official written response will be given.*

City of Flagstaff  
Sales Tax Division

211 W. Aspen Ave.  
Flagstaff, AZ 86001

Phone: 928-213-2250  
Fax: 928-213-2209

## Use Tax Information



City of Flagstaff  
Sales Tax Division



Service at a Higher Elevation

## WHAT IS THE PURPOSE OF THIS PAMPHLET?

On July 15, 2014, City Council passed Ordinance 2014-16, imposing a 1% Use Tax effective October 1, 2014. This pamphlet is to help further explain the application of Use Tax.

## WHAT IS USE TAX?

Use tax is a tax on tangible personal property that is used, stored, or consumed within the City, upon which a sales tax has not been collected.

## WHY ADOPT A USE TAX?

Use tax is often considered an equitability tax because it removes incentives for customers to shop outside the City in order to avoid City sales taxes.

## WHO PAYS USE TAX?

Use tax is applicable to all business and individuals that meet specific conditions.

*Businesses*— All businesses are required to pay use tax on all untaxed purchases.

*Individuals*— Items purchased for personal use and enjoyment that *exceed* \$1,000 per item are taxable.

## MY BUSINESS DOES NOT HAVE A SALES TAX LICENSE AND DOES NOT RECEIVE A SALES TAX RETURN. COULD MY BUSINESS BE SUBJECT TO USE TAX?

Yes, any business in the City of Flagstaff that has a sales tax license *or* business license may be subject to Use Tax, whether or not a sales tax return is sent to the business. For those businesses that do not receive a sales tax return, Use Tax may be remitted on company letterhead.

## DO I PAY USE TAX AND SALES TAX ON THE SAME TRANSACTION?

No, if a sales tax was paid on a transaction, use tax does not apply and should not be paid.

## WHAT IS THE USE TAX RATE?

City Council adopted a use tax rate of 1.00%.

## WHAT IS THE EFFECTIVE DATE OF THE USE TAX?

The effective date of the use tax is October 1, 2014.

## USE TAX EXEMPTIONS

- Purchases outside of the City, on which another city's sales tax was paid, even if the purchase was made outside of Arizona.
- Purchases of \$1,000 or less (per item) for individuals not in business.
- Casual sales between individuals. A casual sales is a sales transaction between two individuals that are not engaged in the business of selling.
- Restaurant employee meals. Meals provided by a restaurant to its employees at no charge during work hours.

- Charitable donations. Charitable donations include any donation by a business to an Internal Revenue Service (IRS) approved charity organization.

## USE TAX EXAMPLES

- A vehicle is purchased from an out-of-state car dealer and brought back to Flagstaff. The purchaser did not pay any local sales tax in the other state. The purchaser of the vehicle lives in Flagstaff and registers the car in Flagstaff. The purchaser is subject to use tax.
- A contractor buys a manufactured building from a vendor in an unincorporated area of Arizona. The contractor uses the building as an office within Flagstaff city limits. The contractor is subject to use tax.
- A hardware store is opened in Flagstaff. Fixtures and equipment are purchased from out-of-state and delivered to Flagstaff. The purchaser did not pay any local sales tax in the other state. The new stores fixtures and equipment are subject to use tax.
- A dentist in Flagstaff purchases dental equipment from an out-of-state vendor. The dentist did not pay any local sales tax in the other state. The dentist is subject to use tax.

